

CONSTITUTION AND RULES

— OF THE —

HAMILTON BOARD

— OF —

FIRE UNDERWRITERS.

AS REVISED AND CONFIRMED AT THE ANNUAL
MEETING, ON MAY 7, 1886.

The following Companies are members of the Canadian Fire Underwriters' Association, and are represented on the Hamilton Board of Fire Underwriters:

1. Aetna Insurance Company, of Hartford, Conn.
2. Atlas Insurance Company, of London, England.
3. British America Fire Assurance Company, Toronto, Canada.
4. Caledonia Fire Insurance Company, of Edinburgh, Scotland.
5. Citizens Insurance Company, of Montreal, Canada.
6. City of London Fire Insurance Company, of London, England.
7. Commercial Union Assurance Company, of London, England.
8. Economical Mutual, of Berlin, Ont.
9. Glasgow & London Fire Insurance Company, of Great Britain.
10. Fire Insurance Association, of London, England.
11. Guardian Fire and Life Assurance Company, of London, England.
12. Hartford Fire Insurance Company, of Hartford, Conn.
13. Imperial Insurance Company, of London, England.
14. Lancashire Insurance Company, of Manchester, England.
15. Liverpool and London and Globe Insurance Company, of Liverpool, Eng.
16. London and Lancashire Fire Insurance Company, of Liverpool, England.
17. London Assurance Corporation, of London, England.
18. Mercantile Fire Insurance Company, Waterloo, Ont.
19. North British and Mercantile Insurance Co'y, of Edinburgh and London.
20. Northern Assurance Company, of Aberdeen and London.
21. Norwich Union Fire Insurance Society, of Norwich, England.
22. National Insurance Company, of Ireland.
23. Phenix Fire Insurance Company, of Brooklyn, U. S.
24. Phoenix Fire Assurance Company, of London, England.
25. Quebec Fire Assurance Company, of Quebec, Canada.
26. Queen Insurance Company, of Liverpool, England.
27. Royal Canadian Insurance Company, of Montreal, Canada.
28. Royal Insurance Company, of Liverpool, England.
29. Scottish Union and National Insurance Company, of Edinburgh, Scotland.
30. Waterloo Mutual Fire Insurance Company, of Waterloo.
31. Western Assurance Company, of Toronto, Canada.

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HAMILTON BOARD OF FIRE UNDERWRITERS.

REVISED AND CONFIRMED MAY 7th, 1888.

CONSTITUTION.

NAME.

ARTICLE 1.—This Association shall be known as the Hamilton Board of Fire Underwriters.

OBJECTS.

ARTICLE 2.—The objects of this Board are the establishment and maintenance of Fire Insurance Rates and the promotion of the interests of Fire Insurance business in Hamilton.

OFFICERS.

ARTICLE 3.—The Officers of the Association shall consist of a President, Vice-President and Secretary-Treasurer

OFFICERS—HOW ELECTED.

ARTICLE 4.—The Officers of this Board shall be elected by ballot at the Annual Meeting and shall hold office for one year, or until their successors be appointed. Any Officer is eligible for re-election; and should he retire before the expiration of his term of office, the members may at any regular meeting elect his successor for the remainder of the unexpired term.

OFFICERS' DUTIES.

ARTICLE 5.—It shall be the duty of the President (or in his absence the Vice-President) to preside at all meetings of the Board, and to call special meetings of the Board at the written request of any three members.

ARTICLE 6.—In the event of the absence from any meeting, special or ordinary, of the Board of both the President and Vice-President, the members then present shall elect a Chairman to preside at such meeting.

DUTY OF SECRETARY (*See also Rule 9*).

ARTICLE 7.—It shall be the duty of the Secretary (or in his absence the Chairman shall appoint a substitute) to take the Minutes of the proceedings of each meeting and record the same in a book kept for the purpose. He shall forward a printed copy of the Minutes to each member of the Board, also such other requisite notices, written or printed, as may be necessary.

It shall also be the duty of the Secretary to send a printed enquiry to every member upon such matters as may form the subject of general enquiry at the Board Meetings, and it shall be the duty of every Member to send a written reply to such enquiries in time to be laid before the next regular weekly meeting of the Board.

MEETINGS—WHEN HELD.

ARTICLE 8.—Regular meetings of the Board shall be held every Monday at 4 p. m., and the Annual Meeting on the first Monday in May of each year.

ARTICLE 9.—Five days' notice of any special meeting shall be given in writing to each member, and said notice shall state the object of such special meeting.

BREACH OF CONFIDENCE—PENALTY.

ARTICLE 10.—The proceedings, orders and debates of the Board, and also the tariff of rates (as far as the latter is possible) shall be deemed to be honorably and strictly confidential, and shall not be divulged to any person not a member of this Board, and any violation of this rule shall subject the offending party to the penalties inflicted under sections 5 and 8 of the rules of this Board; but it is provided that this article shall not prohibit any member from exhibiting to any officer of his Company any of the documents referred to in this article.

QUORUM.

ARTICLE 11.—Five members shall constitute a quorum for the transaction of business.

HOW TO BECOME A MEMBER.

ARTICLE 12.—Any Fire Insurance Company may become a member of this Board upon application to the Secretary, and on receiving a majority vote of the members present at any regular meeting.

MEMBERS TO SIGN CONSTITUTION.

ARTICLE 13.—All existing members, or Companies becoming members of the Board, shall sign a copy of this Constitution and Rules (kept by the Secretary for that purpose); agreeing that in the event of any charge being made of its violation, either general or directly against their individual Company, they will make a full and complete statement of their position or knowledge in connection with the risk or risks, or the point in question. And should the same be challenged, he or they shall, if called upon to do so, make a statutory declaration that the same is true, or submit any or all books or papers in his or their office for inspection by the Secretary or both; and that he or they agree that each one of the representatives or employees of each Company provided for in the Constitution and Rules shall, if required, make a similar statutory declaration; and the failure of any one of the persons mentioned to make a satisfactory declaration shall be accepted as evidence of a breach of these rules.

HOW TO WITHDRAW.

ARTICLE 14.—Any member may withdraw from the Board—all dues to the end of the current year having been first paid—by a written notice to the Secretary; but such withdrawal shall not take effect or release the member from the agreement entered into under Articles 12 and 13, for a period of three months after date of said notice.

PERSONS ELIGIBLE TO TAKE PART IN MEETINGS.

ARTICLE 15.—The duly authorized Agents or the Chief Executive Officers of all Companies connected with the Board shall be the only persons entitled to take part in the proceedings.

CONSTITUTION AND RULES—HOW AMENDED.

ARTICLE 16.—The Constitution or Rules may be altered or amended, or new ones adopted by a two-thirds vote at the Annual Meeting or a Special Meeting called for that purpose, provided that one month's notice of such proposed alteration or amendment be given or sent to each member of the Board, except in the case of any Rule, Rating or Standing Order which may have been adopted by the Canadian Fire Underwriters' Association, when such Rule, Rating or Standing Order may be adopted by the Hamilton Board

at any ordinary meeting on one week's notice being given and published in the Minutes, or at any Annual Meeting without notice.

AGENTS AND CANVASSERS SUBJECT TO CONSTITUTION AND RULES.

ARTICLE 17.—The Constitution and Rules shall apply to Agents and to persons empowered to take risks for any Company represented at this Board.

Rules Respecting Hamilton Special Agents.

Special Agents may be appointed, as hereinafter provided :

(a). Only persons who are *bona fide* engaged in the occupation of soliciting or canvassing for Fire Insurance business, or Fire and Life Insurance business, and whose chief occupation this is, shall be eligible as Special Agents, except that persons who are really and *bona fide* Real Estate or House and Land Agents, and have an office and definite place of business for that purpose shall be eligible as Special Agents.

(b). Any person desiring to act as Special Agent for any Fire Insurance Company in Hamilton, and to carry on such business with any Company, a Member of this Board, shall make application in writing to the Secretary to be registered for such purpose, and stating his willingness to comply with the rules and regulations as to Special Agents, which application shall be submitted to a regular meeting of the Board, and at the next subsequent regular meeting it shall be granted, except the eligibility of the applicant is questioned by any Member of the Board, when the matter shall be deferred to the next regular meeting, and shall then be decided by the vote of the Members present, the vote to be taken by ballot (a majority electing and a two-thirds vote rejecting), and such rejection shall be conclusive and prevent any re-nomination for six months after date of such rejection. All Special Agents must be re-elected annually at the last regular meeting in April, and after the regular one week's notice shall have been given.

(c). No commission shall be paid directly or indirectly to any one not a Member of this Board, unless as provided for in this section and in sections 4 and 5 of the Rules. No Special Agent shall act for more than one Company. To such Special Agent a commission may be paid only by the Company whose Special Agent he is.

(d). Upon the application being granted by the Board, the applicant shall sign, in a book kept by the Secretary for that purpose, an agreement to observe the following rules :—

1.—That he is *bona fide* engaged, or to be engaged, in soliciting fire risks for the Company he represents, or seeks to represent, and that he will not receive nor participate in commission on the business of any mercantile or manufacturing establishment in which he is or may be engaged as principal or employee.

2.—That he will not directly or indirectly permit the assured or any employee thereof, or any other person, to participate in his commission.

3.—That he will not directly or indirectly give or offer business, either new or renewal, to any Company except the one whose registered Special Agent he is.

4.—That he will strictly conform to all Rules, Regulations and Rates of the Board, and in no way whatsoever seek to evade or connive at any evasion of the same.

5.—That he will forthwith answer as required any and all questions which may be put to him by the Secretary, with regard to the placing or renewing of risks.

6.—That in event of his Company cancelling a risk upon which he shall have received a commission, he will return the commission upon the unearned premium.

7.—That penalties for the infringement of any of the foregoing Rules, or non-payment of a premium due a Company after it has been received from the assured, or other dishonorable conduct, shall be a fine, as fixed by the Board, for the payment of which, or his dismissal, the Company whose registered Agent he is shall be responsible, and in the event of his dismissal by his Company for the non-payment of such fine, he shall be ineligible for re-appointment for one year from date of disqualification.

The Secretary shall then issue to the applicant, upon his payment of the fee as required by the next subsequent section, a certificate permitting him to transact business as a Special Agent in the city of Hamilton for such Company.

(e). Every person taking out a certificate as Special Agent shall pay to the Board an annual license fee of \$25. The commission payable to such Special Agent shall be limited to 10 per cent on the premium.

(f). Certificates shall require to be renewed and fees to be paid on the first of May in each year. For certificates granted to new applicants subsequent to the first of May the annual fee shall be chargeable *pro rata* for the unexpired portion of the year, but the amount shall be not less than one-fourth of the annual fee.

(g). That a Special Agent shall not be allowed to act as a broker, or to receive a commission from another Agent, or from any Company except the one whose Special Agent he is; and no Special Agent shall be allowed to receive commission or any other consideration on any business except that which is placed in the Company for which he is registered Special Agent.

(h). Any charge of infraction of Rules and Regulations preferred against a Special Agent shall be dealt with in the same manner as provided for in Rules Nos. 20, 21 and 22, for Hamilton or City Agents, and be subject to the same penalty.

(i). The non-payment of a premium due a Company by a Special Agent, after he has received the same from the assured, shall be held to be a violation of the condition upon which his certificate was issued, and shall be dealt with accordingly, as recited in the next preceding section.

(j). Any Company paying a commission or other consideration to any party not qualified to receive the same, shall be required to cancel the risk upon which it is paid, and such Company shall not be permitted to accept a line on the risk referred to for three months from date of cancellation, and its Agent shall be debarred from placing a risk in any Company on the same property within the same date.

(k). Each Company a Member of this Board shall register with the Secretary of the Board such Hamilton Agent or Agents, City Agent (or firm), as defined in section a and b of these Rules, and they shall be subject to the regular Rules of this Board, and such of the foregoing Rules as apply to them in transacting Fire Insurance in Hamilton.

(l). A list of all Agents and Special Agents shall be posted in the Board Rooms by the Secretary for reference.

(m). No commission shall be paid by any Company to any other person than a registered Agent. Managers of Banks, and Secretaries and Managers of Life Assurance Companies and of Loan and Building Societies, may also be paid a commission on the business in which the institutions they represent have a direct proprietary or hypothecary interest, but on no other business.

RULES.

RISKS THAT MAY BE TAKEN FOR 3 YEARS.

SECTION 1.—No member of this Board shall take any risk for a longer term than one year, except such as are specially mentioned in the Tariff of Rates. It shall, however, be competent for Companies to issue three years' term Policies for two years' premium Buildings and Contents, excepting upon Mercantile, Manufacturing and Hazardous Risks, (Banks and Buildings occupied as Offices solely are not Mercantile Risks), and certain properties owned by the Government and the Municipality of Hamilton may be insured by the issue of Policies thereon for three years at two annual premiums. Should any three-year risk be changed by the introduction therein, in whole or in part, of a mercantile or hazardous occupation, the long term Policy must be cancelled, and thereafter the proper annual rate for the new occupation must be charged on the building and all the occupancies therein.

CANCELLATION OF POLICIES.

SECTION 2.—In cancelling a policy at the request of the Insured, a Company shall charge the short term premium up to the date of such cancellation; this however does not refer to cancellations where the risks is not terminated, but carried on under another policy for the mutual convenience of the Company and the insured.

SHORT TERM RATES—WHEN CHARGED.

SECTION 3.—All insurance for a term less than one year shall be charged short period rates, as in the table attached to the tariff. This section does not refer to re-insurance between two Companies.

WRITING UNDER TARIFF—DIVIDING COMMISSION.

SECTION 4.—No member of the Board shall underwrite a risk at a lower rate of premium than that provided for by the Tariff authorized by the Board, or pay to or divide commission with others than authorized Agents (whose names shall have been registered with the Secretary of the Board), or return to the insured, directly or indirectly, any portion of the stated premium. Commission however is allowed to be paid on re-insurance by one Company to another.

VIOLATION OF TARIFF.

SECTION 5.—No member of this Board shall accept a risk at less than Tariff rate; and if an Agent of any Company take a risk under the Tariff rate, he shall be required by his Head Office to collect the additional premium immediately or cancel the risk, reporting his action in the matter to his Head Office without delay; but if a Company, or the Agent of a Company, take a risk which was held or is expiring in another Company, a member of this Association, at less than Tariff rate, the Company shall be obliged to cancel the insurance, and shall not be permitted to accept a risk on the same property, nor shall the Agent be permitted to place a risk thereon in any Company, for three months from the date of such cancellation. If a Company holds a Tariff Risk, accepted or renewed at less than the Tariff rate at the date of last renewal (or if the risk has been rated specifically in the interim), and fails to collect the proper Tariff rate when said risk next matures, it shall not thereafter have the privilege of collecting the extra premium, but must cancel, and is prohibited from accepting, or its Agent from placing in any Company, a risk on the same property within three months from date of cancellation.

NON-TARIFF OR UNLICENSED COMPANIES.

SECTION 6.—No member of the Board shall effect or accept any insurance, or re-insurance with or from any Fire Insurance Company licensed to do business in Canada not a member of this Board, except in instances where all Board Companies shall be full or not open for the insurance, and then only in strict conformity with Tariff rates and regulations. This rule is intended to prevent the transaction of business through the Agents of Non-Tariff Offices, whether with or without any consideration.

NON-TARIFF COMPANIES.

SECTION 7.—Any person representing a Company belonging to this Board, who shall represent, or undertake to represent, any other Company not belonging thereto, shall forthwith give the Secretary of this Board a written undertaking duly signed, that each and every risk taken by him for such other Company shall be at the rates, and in compliance with the Rules of this Association.

VIOLATION OF TARIFF—HOW PUNISHED.

SECTION 8.—Any representative of a Company belonging to this Board, who shall be proved to the satisfaction of said Board, to have continually violated any of the Rules of this Association, may be suspended by a majority vote of three-fourths of the members present at a special meeting called for that purpose. One week's notice of motion to be given by the member proposing such meeting.

DUTY OF MEMBERS TO REPORT VIOLATIONS AND HOW.

SECTION 9.—It shall be the duty of each member to report to the Secretary, on printed forms provided for the purpose, all known deviations from the Rules and Rates as adopted, who shall submit the same at the next meeting of the Board for inquiry, the name of the complainant not to appear on the form.

LOSS OF RISKS—EXPLANATION.

SECTION 10.—Any member of the Board losing a risk, may, through the Chairman, ask each of the other members present, if he has taken the same, and at what rate, and the member taking such risk shall give the desired information.

CURRENT EXPENSES—HOW ASSESSED.

SECTION 11.—The current expenses of the Board shall be met by an annual contribution from each Company belonging thereto, and the same shall be assessed and payable *pro rata* upon the net premium income of each Company, within the Province of Ontario, for each preceding year. New Companies having no income shall be assessed such an amount as the Board may determine.

TARIFF TO APPLY TO RENEWALS.

SECTION 12.—The Tariff of Rates shall apply to all renewals of existing risks, as well as to new business, unless specially provided to the contrary.

BUILDINGS OF DIFFERENT CONSTRUCTION ADJOINING.

SECTION 13.—When buildings of different construction are adjoining and communicating, and separate sums are insured on each, or on the contents of each, a rate not less than that applicable to the different classes must be charged; but if the said buildings are insured *under one sum*, the rate appli-

cable to the building of inferior construction shall apply, and if the contents of both buildings are insured *under one sum*, the contents rate shall be applied in a similar manner.

SEPARATION OF AMOUNTS.

SECTION 14.—Specific amounts must be placed on each kind of property covered by the insurance; Building and Contents, or Building and Machinery, or Stock and Machinery must never be written under one sum, and all insurance covering the same property should be made to read concurrently.

MIXED CONSTRUCTION AND DIFFERENT OCCUPANCIES.

SECTION 14 a.—When any building combines more than one classification in its construction, or when said building is occupied by more than one tenant, the highest rate applicable to the lowest classification and to the greatest occupation hazard, shall be applicable to all, except that the rate on the following stocks (upon the rate which is advanced on account of their perishable nature), shall not govern the rates of occupancies in the same building, namely:—

Book and Stationer's Stocks, Church Ornament Stocks (no wood work), Confectionery (no manufacturing), Crockery, Glassware, Fancy Dry Goods, Millinery and Small Ware, Florists, Jewellers, Opticians, Milliners and Dressmakers, Pawnbrokers, Picture Frame and Artist Work (Saleroom only), Silversmiths and Working Jewellers, Stationers and Book Stores, Tobacco-nists, Toy Shops and Fancy Goods.

BLANKET POLICIES INTERDICTED.

SECTION 15.—No member of the Board shall include in one amount insurance on two or more risks, unless such risks shall be on or in buildings communicating internally with each other or under one roof, unless the policy be subject to average or specially sanctioned by the Board.

MINIMUM RATES FOR SPECIALS.

SECTION 16.—That the Minimum rates for Specials in Hamilton shall not be less than those named in the Tariff adopted by the Canadian Fire Underwriters' Association, which shall be the nettings. And further, that any Special Ratings of this Board which may be in excess of the Minimum Rates referred to, shall, at the discretion of the Hamilton Board, be maintained or altered according to their Rules, but such rates shall in no case be less than the Minimum.

REDUCTION OF RATES BY BOARD ONLY.

SECTION 17.—No rate on a risk specially rated, shall be reduced in consequence of any change of the occupation of the building so rated, unless such reduction is made by the Board.

ALTERATION OF RATINGS—HOW MADE.

SECTION No. 18.—No new building or contents to be rated or change made in rate on existing buildings or contents without sanction of the Board, or any material change in existing risk; the Board by a majority vote may order the same to be inspected by any or all of the members, who shall report upon said risk not later than next Board meeting (reports of any three or more members being deemed sufficient in case other members have not been able to inspect the risk by the time of said meeting) as to the class of rating and aforesaid risk, and upon such reports the Board shall decide by a majority vote, the class to which such risk belongs, and the rate to be charged

thereon. Any member desiring to bring forward a resolution for the inspection or rating of any particular risk, may do so at any regular meeting, or can request the Secretary to call a special meeting for that purpose, provided that in no case shall any risk be re-rated within three months, unless some material change in said risk has taken place within that period.

CONTRAVENTION OF RULES.—REPORTED.

SECTION 19.—That each instance where the full premium *actually paid* is below Tariff rate, shall be treated as a contravention of Section 4 of the Rules, notwithstanding the same may be reported to the Company and settled for by the Agent at the proper Tariff rate, and that each of such contraventions shall be reported by the Secretary of this Board to the chief office of the Company in Canada.

VIOLATION OF TARIFF OR RULES—NOT TO BE FOLLOWED.

SECTION 20.—If any member of this Board infringe or break any of the Rules of this Association, the same shall not be considered either an excuse or justification for any other member so doing.

A CHARGE—HOW INVESTIGATED.

SECTION 21.—If a charge is made against any member or representative of a Company, a member of this Board, the Secretary shall investigate the matter and if need be, have the right of access to any papers, books or other documents, and should he fail in having the matter rectified to his satisfaction, he shall then at once report all the facts to the Board, whose decision in the matter shall be final. Should the defaulting representative or Company neglect to comply with the decision of the Board a special meeting shall be called as provided for in Article 8 of the Constitution and Section 9 of the Rules, to determine what action may be taken. Provided, however, that any such charge or accusation may, if deemed advisable, be referred to a Committee, to whom the reply of the accused shall be communicated; and no charges or accusations shall be printed or appear in the Minutes until the report of the Secretary or Committee is before the Board, and then only as part of the whole case, and when ordered by the Board to be printed.

ENDORSEMENT FEES.

SECTION 22.—A fee of fifty cents must be charged and collected for *all* endorsements, except notices of further insurance and concurrent wording; and any endorsement or written acknowledgment of a change of interest shall be considered as an assignment and charged for as such.

WORKMEN'S RISK.

SECTION 23.—That no Agent of a Board Company shall in any case grant a Workmen's Risk except on the printed or written forms in use by his Company or by endorsement on Policy, and in no case shall any Workmen's Risk be granted free of charge or for an indefinite period. The minimum extra rate for any period short of two weeks shall be five cents per \$100. The signing of a written waiver is strictly prohibited. All applications involving any question as to the propriety of granting Workmen's Permits in certain cases where a doubt exists, free of any charge, must be referred to the Secretary for decision, such decision to be recorded in a book to be kept for the purpose at the office of the Association. On Special Risks, ordinary repairs and alterations may be permitted without extra charge.

RULES OF ORDER.

SECTION 1.—The presiding officer shall decide all questions of order subject to an appeal to the meeting.

SECTION 2.—No motion shall be put or debated unless seconded, and all motions shall be reduced to writing.

SECTION 3.—When any question is under debate, no motion shall be received except to amend, to postpone or adjourn, which latter motion excludes all debate, and shall always be in order.

SECTION 4.—The debate shall be governed by parliamentary practice.

SECTION 5.—At any ordinary or special meeting of the Board, the chair having been taken by the proper officer then present the following shall be the

ORDER OF BUSINESS.

1st.—Reading the minutes of previous meeting.

2nd.—Unfinished business of previous meeting.

3rd.—Reports of Special Committees, or of the individual members forming Committee of the Whole.

4th.—New business.

STANDING ORDERS.

Revised and Confirmed May 7th, 1888.

- 1.—That a register be kept in which all changes of rating shall be entered, and which shall at all times be open to the inspection of members only.
- 2.—That all questions deferred for action be placed on Minutes as notices of motion for next meeting.
- 3.—That in no case shall any Carpenters' or Builders' risk be granted free of charge.
- 4.—All notices of rating shall be announced from the chair before the adjournment of the Board.

